

Public Utilities, Energy and Technology Interim Committee

Report on Rural Jobs Creation



Dr. Laura Nelson
Governor's Office of Energy Development
July 18, 2018

Energy Advisory Update

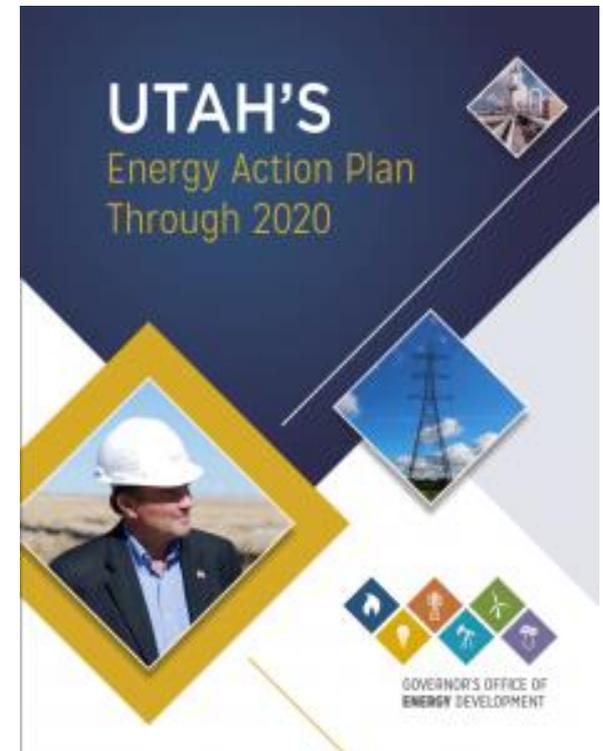
- Governor's energy advisor (63M-4-201)
 - Advise the governor; update policy; promote resource development; promote education and conservation
 - Coordinate among state agencies to: streamline regulation; prepare for emergencies; promote access; retain and share energy information, etc.
 - May testify on behalf of governor before Public Service Commission
 - Reports annually to NRAE Interim Committee

The Governor's Office of Energy Development

- OED's role per 63M-4-401
 - A) Serve as resource for advancing energy and mineral development in the state; B) implement state energy policy and governor's energy and mineral goals; C) advance energy education, outreach, and research; D) promote energy and mineral development workforce initiatives
- State Energy Policy per 63M-4-301
 - Utah shall have/promote adequate, reliable, affordable, sustainable and clean energy resources;
 - Will promote all-of-the-above development;
 - Will be conservative in use of incentives;
 - Will promote infrastructure deployment, conservation, education

Energy Action Plan

- Plan released May 15, 2018
 - Builds on OED successes to leverage and expand results
 - Creates new pathways for success
- Delivering on the commitment to rural Utah (1)
 - 8,000 high quality jobs in rural Utah
- Advancing Innovation (2)
- Providing Energy Education (3)
- Driving strategic infrastructure investment (6)
 - Market Access and Exports
- EE and Clean Air solutions (5, 10)



Success+ Problem Statement

Job loss in the energy and minerals, and related support sectors, driven by historically low oil, gas, and coal prices, has disproportionately impacted rural Utah. Comparatively high production and regulatory costs, coupled with insufficient infrastructure, private investment and economic diversity have combined to significantly constrain rural job growth.



Success+ Solution

Reduce or remove constraints to rural job growth through optimization and effective deployment of OED's policy and regulatory solutions, market-based incentives, business development initiatives, and education programs.

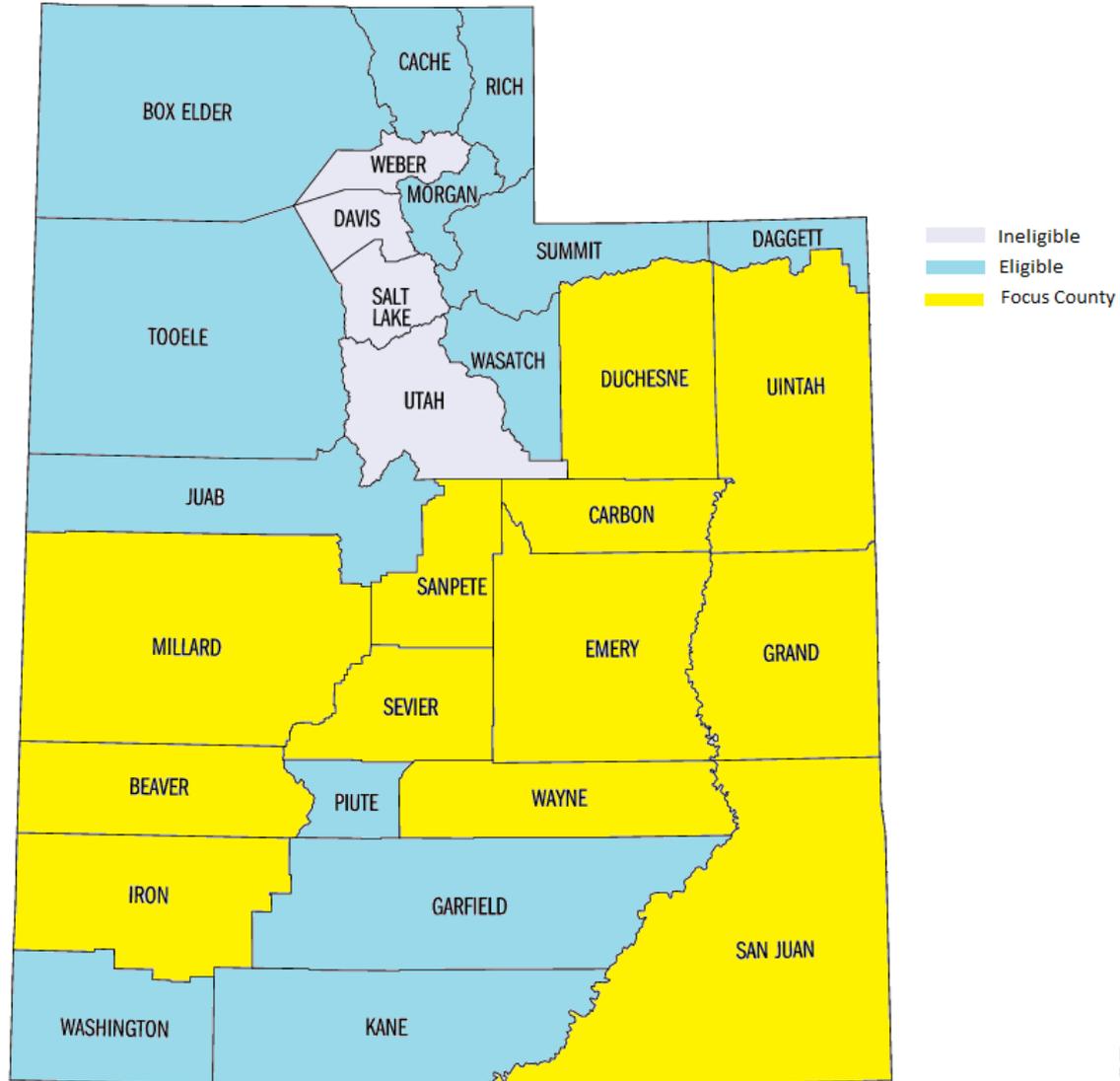


OED's Success+ Goal

8,000 Jobs
In Rural Utah



Focus Counties



Strategies & Tactics



POLICY

- Policy
- Regulatory



BUSINESS DEVELOPMENT

- Incentives
- Bus. Development



RESEARCH & EDUCATION

- National Lab
- Scholarships
- Education materials



Success Measurement Information System (SMIS) Metrics

Direct Jobs

Total Jobs
(including indirect
& induced)

Energy Jobs in
rural Utah
(by NAICS code)

Total jobs in rural
Utah



Policy Work

- Net Metering Agreement
- Western Grid Regionalization
- Reliability Coordinator
- Clean Power Plan
- Coal Lease Moratorium
- Regional Haze Rule
- Ozone Rule
- Methane Rule

Approved HCITC Projects

Company Name	County	Projected FTEs	Estimated Investment
L&P Logistics	Uintah	200	\$4,500,000
Uintah Advantage	Uintah	150	\$1,224,879,000
Peak Minerals	Millard	209	\$378,000,000
Smithfield Foods	Beaver	50	\$67,000,000
Wasatch Resource Recovery	NSL	64	\$42,712,013
Salt Lake Garfield & Western Railway Company	Salt Lake	74	\$25,000,000
Facebook	Eagle Mountain	50	\$750,000,000
Autonomous Solutions	Cache		

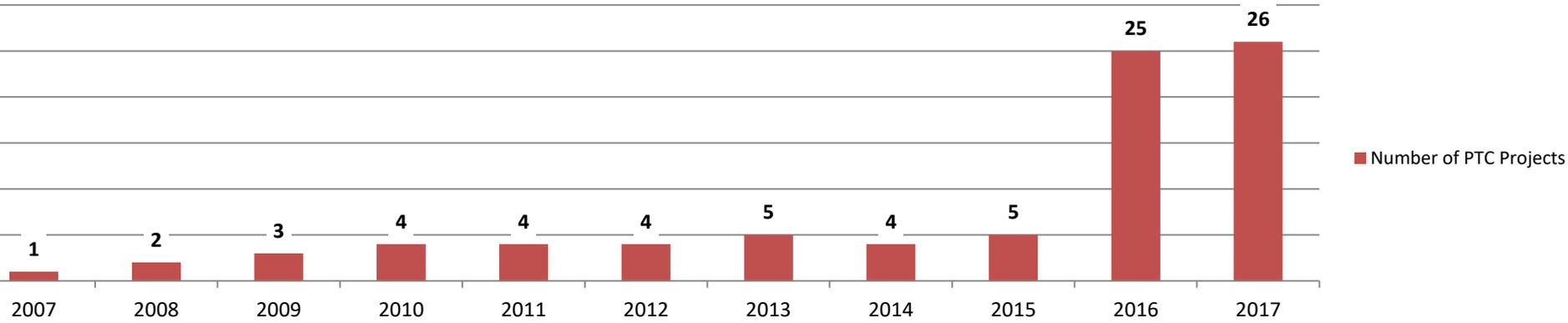
Production Tax Credit

- Utah's Renewable Energy Systems Production Tax Credit (PTC) is available for large scale renewable energy projects that are 660 kilowatts in size or greater
 - Eligible renewable energy projects include solar photovoltaic, wind, geothermal, and biomass
 - The PTC is calculated as .35 cents per kilowatt hour of produced electricity during the project's first 48 months

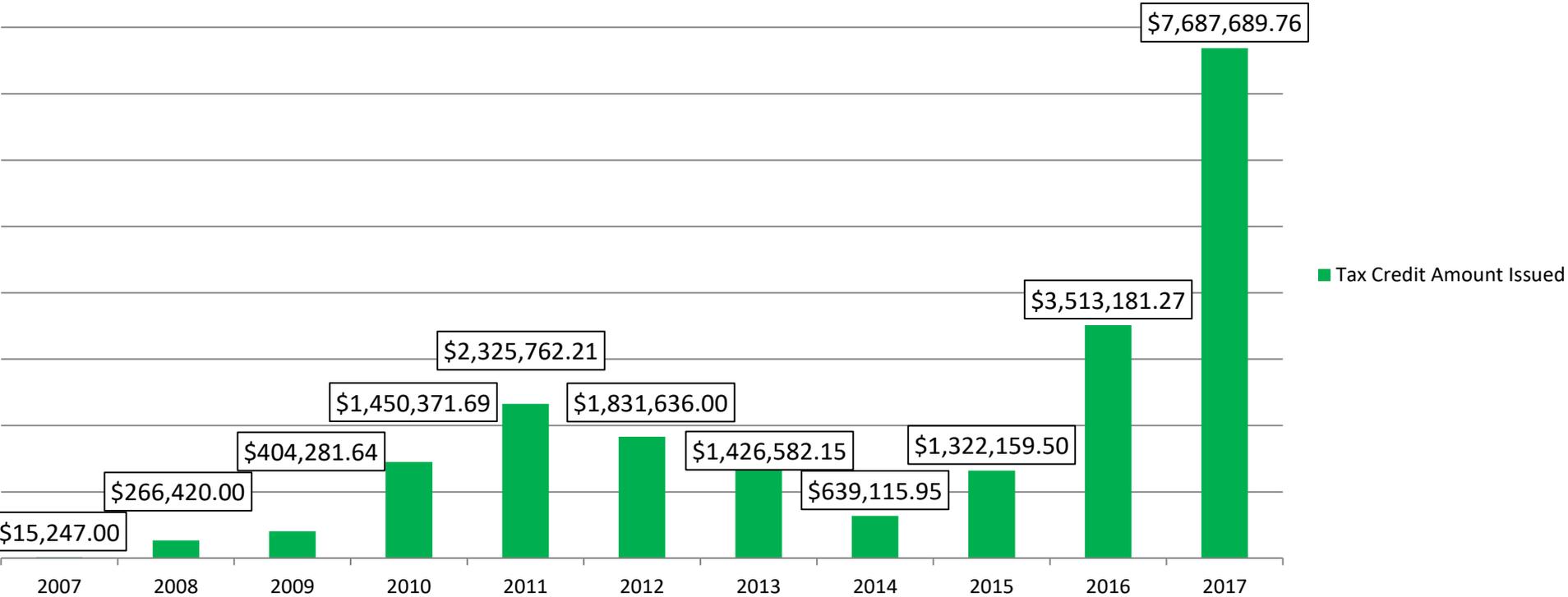


Red Hills Renewable Park, Parawon

Number of PTC Projects



Tax Credit Amount Issued



Energy Education

- K-12 Lesson Plans
- Workforce Development Scholarships
- Education Events
 - Governor's Energy Summit
 - Energy Career Expo
 - Energy & Minerals Day at STEM Fest
- Education Videos
- Green Power Electric Car Competition



Recent Successes

FORGE



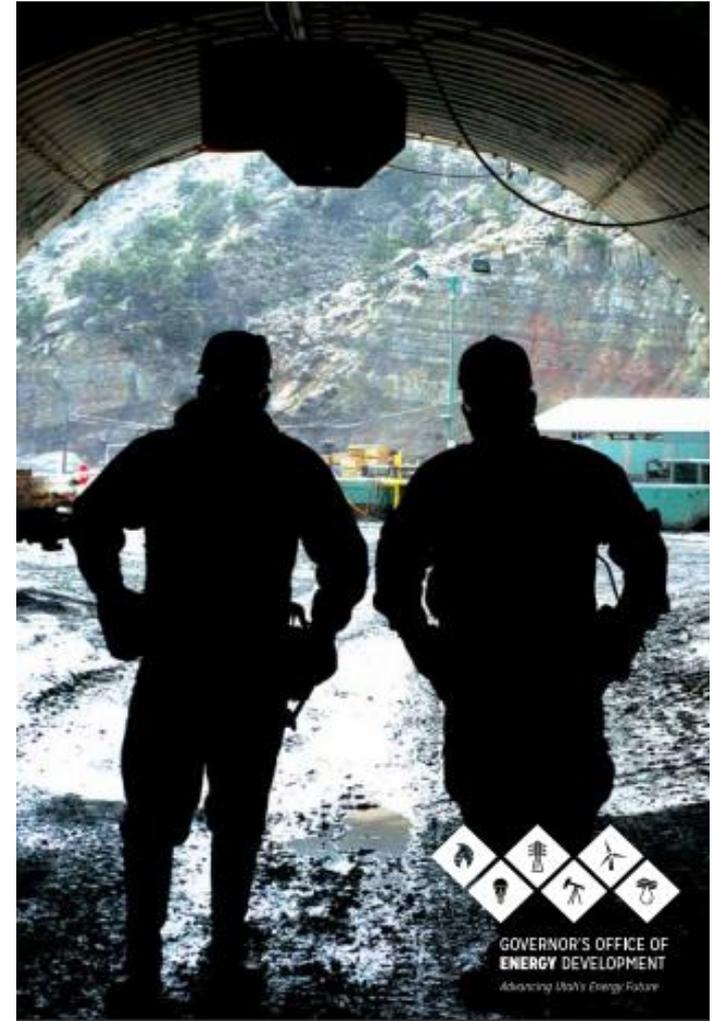
- The DOE announced that the University of Utah will receive **\$140 million** in funding for cutting-edge geothermal research and development.
- The site outside of Milford, Utah, has been selected as the location of the Frontier Observatory for Research in Geothermal Energy (FORGE) field laboratory.



Recent Successes

UTAH COAL

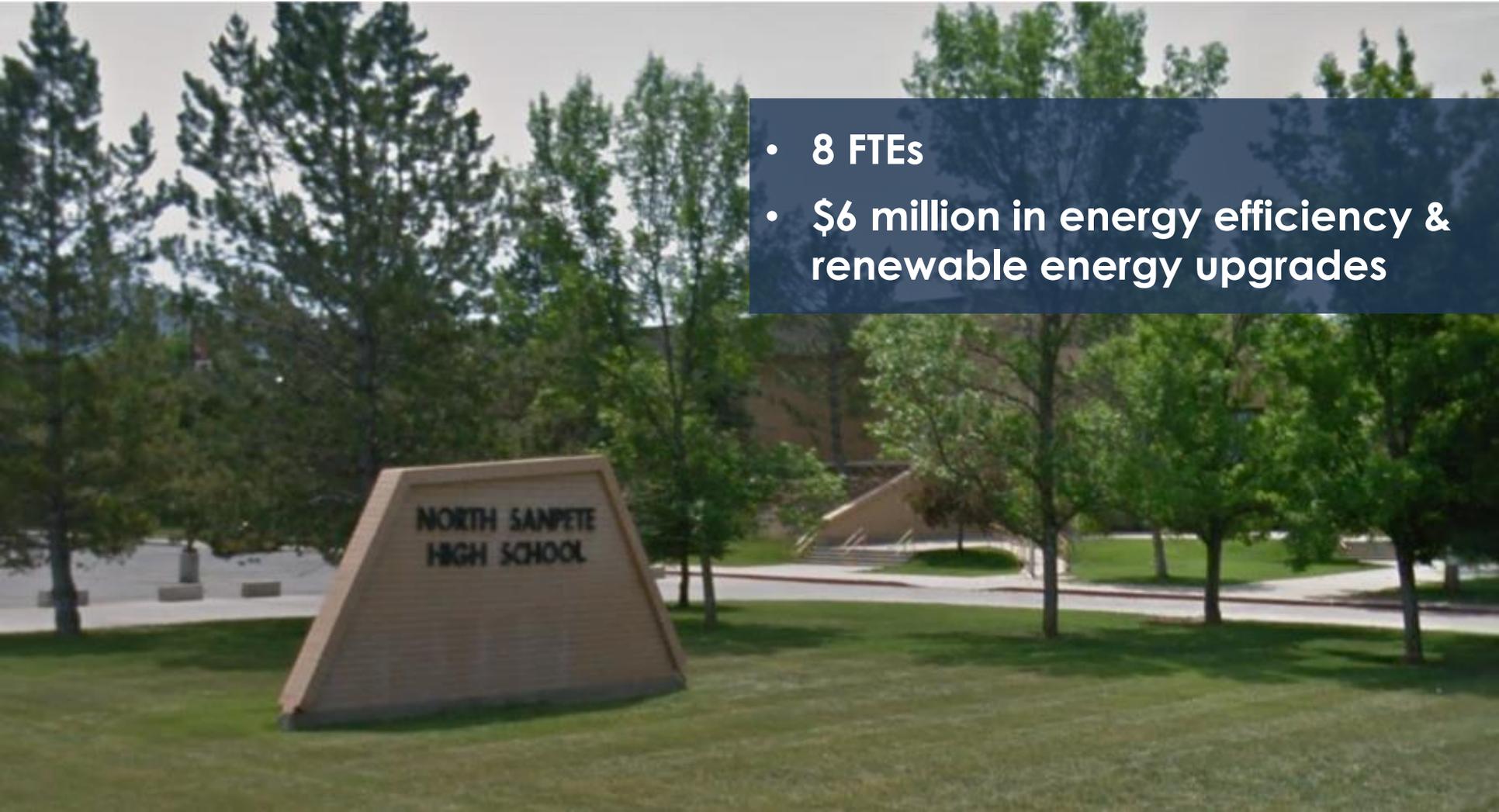
- Coal lease moratorium lifted
- 2017 overseas coal exports expected to be at their highest level since 1997
- 6 of Utah's 7 mines are currently hiring or plan to at the start of 2019
- New coal mine leases are in the works
- Major capital investment is underway
- Experiencing a labor shortage



Recent Successes

North Sanpete High EERE Upgrades

- 8 FTEs
- \$6 million in energy efficiency & renewable energy upgrades



Recent Successes

UTAH NET METERING SETTLEMENT

- Facilitated discussions among Rocky Mountain Power, Solar Industry, and Non-government Entities
- Settlement made Utah the first state in the U.S. to create a glide path to preserve its 6,000-job solar industry as solar becomes sustainable without subsidies



What's Ahead

Approved HCITC Applications indicate about:

- 800 direct jobs throughout the state
 - \$2.5 billion in infrastructure investments
-

Energy Workforce Scholarships

Western States Rural Natural Gas Initiative



Thank You

Dr. Laura Nelson

Executive Director, Governor's Office of Energy Development

QUESTIONS